

THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re:)	Chapter 11
)	
City Church)	Case No. 21-30161
fdba Full Gospel Fellowship Church,)	
University City Church, Full Gospel)	
Ministries,)	
)	
Debtor.)	

**OBJECTION OF HERRING BANK, AS TRUSTEE FOR THE BENEFIT OF THE
BONDHOLDERS OF UNIVERSITY CITY CHURCH,
TO DEBTOR’S THIRD AMENDED CHAPTER 11 PLAN OF REORGANIZATION**

Herring Bank, as Trustee for the benefit of the Bondholders of University City Church (the “Bank”), a creditor in the above-captioned chapter 11 case, by and through its undersigned counsel, hereby objects (the “Objection”) to confirmation of the Debtor’s *Third Amended Chapter 11 Plan of Reorganization* [Dkt. #106] (the “Third Amended Plan”) filed by City Church (the “Debtor”) in this case. In support of this Objection, the Bank respectfully represents as follows:

A. Procedural Background Relating to Plan

1. On March 27, 2021 (the “Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 11, Subchapter V, of the Bankruptcy Code (the “Voluntary Petition”) in this Court. Since the Petition Date, the Debtor has remained a debtor-in-possession pursuant to 11 U.S.C. § 1184.

2. On June 25, 2021, the Debtor filed its original Chapter 11 Plan of Reorganization (Subchapter V) [Dkt. #36].

3. On July 23, 2021, the Bank filed its Objection to Debtor’s Chapter 11 Plan of Reorganization [Dkt. #52].

4. On August 9, 2021, the Debtor filed its proposed Amended Chapter 11 Plan of Reorganization [Dkt. #62].

5. On December 25, 2021, the Debtor filed its proposed Second Amended Chapter 11 Plan of Reorganization [Dkt. #78].

6. On May 21, 2022, the Debtor filed its proposed Third Amended Chapter 11 Plan of Reorganization [Dkt. #106].

B. The Bank's Claim

7. The Bank holds a secured claim in this case pursuant to a First Mortgage Trust Indenture and Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing in favor of the Bank (the “Deed of Trust”).

8. Pursuant to the terms of the Deed of Trust, the Debtor granted a security interest to the Bank in certain real property located in Huntersville, North Carolina (the “Collateral”).

C. Sale of Collateral

9. On February 7, 2022, the Court entered an Order Granting Debtor's Motion for Private Sale of Real Property Outside the Ordinary Course of Business Free and Clear of Liens and Other Interests Pursuant to 11 U.S.C. § 363 [Dkt. #95] (the “Sale Order”)¹.

10. The Sale Order set a closing date for the sale of the Collateral no later than May 26, 2022.

11. The buyer of the Property subsequently extended the closing date to June 27, 2022 (the “Sale Closing Date”).

12. The Debtor and the Bank entered into a Stipulation [Dkt. # 77] in connection with the Sale Order (the “Stipulation”).

¹ Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Sale Order.

D. Objection and Reservation of Rights

13. Due to the deadlines set in this case, it is necessary for the Bank to file any Objection to the Third Amended Plan prior to the Sale Closing Date.

14. The Bank has received correspondence, which indicates the sale may not occur as scheduled. If the sale of the Collateral does not close as scheduled, the Debtor's Third Amended Plan is infeasible. The Bank objects to confirmation of the Third Amended Plan on those grounds.

15. The Bank generally objects to the Third Amended Plan to the extent that the terms thereof contradict either the Sale Order or the Stipulation and specifically objects to the characterization that "Herring Bank has accepted an offer to purchase" the Collateral, which Herring Bank is unable to do until and unless it receives the Satisfaction Payment, as more fully set forth in the Sale Order and Stipulation.

16. The Bank reserves the right to raise such additional issues in opposition to confirmation as may arise at the confirmation hearing.

WHEREFORE, based on the foregoing and such other objections as the Bank may raise at a confirmation hearing on the Third Amended Plan, the Bank respectfully requests that this Court: (a) deny confirmation of the Debtor's Third Amended Plan; and (b) grant such other and further relief as the Court deems just and proper.

[Signature appears on the following page]

Dated: Charlotte, North Carolina
June 24, 2022

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CERTIFICATE OF SERVICE

I hereby certify that on this date copies of the *Objection of Herring Bank, as Trustee for the Benefit of the Bondholders of University City Church, to Debtor's Third Amended Chapter 11 Plan of Reorganization* were served by electronic notification on those parties registered with the United States Bankruptcy Court, Western District of North Carolina ECF system to receive notices for this case.

Dated: Charlotte, North Carolina
June 24, 2022

HAMILTON STEPHENS
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